



In the

**RESERVE BANK OF INDIA**  
Foreign Exchange Department  
5th floor, Amar Building  
Sir P.M.Road  
Fort, Mumbai - 400 001

Present

**Jyoti Kumar Pandey**  
**Chief General Manager**

Date: October 17, 2017  
C.A. 4385/2017

In the matter of

**Marimed Shipping (India) Private Limited**  
**701, X'Trium- Bajaj Allianz House, 291, Andheri Kurla Road**  
**Andheri (E), Mumbai 400 099**

**(Applicant)**

In exercise of the powers under section 15 (1) of Foreign Exchange Management Act, 1999 and the Regulations/Rules/Notifications/Orders made there under, I pass the following

**Order**

The applicant has filed the compounding application dated May 12, 2017 (received in the Reserve Bank on May 12, 2017) for compounding of contravention of the provisions of the Foreign Exchange Management Act, 1999 (the FEMA) and the regulations issued there under. The contraventions sought to be compounded relate to non-realization of export proceeds within the prescribed period in contravention of Regulation 3(3) of Foreign Exchange Management (Export of Goods and Services) Regulations, 2000 notified vide Notification No. FEMA 23/2000-RB dated 3rd May 2000 as amended from time to time (hereinafter referred to as Notification No. FEMA 23/2000-RB).

2. The relevant facts of the case are as follows: Marimed Shipping (India) Private Limited (MSIPL) was incorporated on January 19, 2006 under the



Companies Act, 1956 (CIN U63090MH2006PTC159090). It is engaged in the business of organizing marketing operations for the shipping industry and in particular for an overseas entity viz Marimed Shipping inc, Liberia. During the period July 2013 to March 2015 MSIPL raised following invoices for the services rendered by it to Marimed Shipping Inc:

<b>Date of invoice</b>	<b>Amount (INR)</b>	<b>Due date of realization</b>
31-07-2013	4,71,044.68	30-04-2014
31-08-2013	7,72,775.00	30-05-2014
30-09-2013	7,11,092.00	29-06-2014
30-10-2013	6,21,832.00	29-07-2014
29-11-2013	6,83,095.00	28-08-2014
30-12-2013	7,03,633.00	29-09-2014
28-01-2014	5,44,621.00	27-10-2014
28-02-2014	6,08,656.00	27-11-2014
28-03-2014	5,35,034.00	27-12-2014
28-04-2014	6,57,436.00	27-01-2015
28-05-2014	6,07,018.00	27-02-2015
30-06-2014	6,47,837.00	29-03-2015
31-07-2014	5,38,707.00	30-04-2015
30-08-2014	5,27,856.00	29-05-2015
30-09-2014	7,38,934.00	29-06-2015
31-10-2014	4,93,914.00	30-07-2015
30-11-2014	5,03,310.00	29-08-2015
31-12-2014	5,14,290.00	30-09-2015
31-01-2015	5,34,254.00	30-10-2015
28-02-2015	17,48,441.00	27-11-2015
31-03-2015	11,51,869.00	30-12-2015
<b>Total</b>	<b>1,43,15,648.68</b>	

The above invoices remained unpaid by the overseas entity until February 02, 2017 when these outstanding dues amounting to Rs.1,43,15,648.68/- were finally settled. The applicant did not obtain extension from RBI or the Authorized Dealer for realization of proceeds towards these exports. Realization and Repatriation of the export proceeds towards export of services beyond the prescribed period was in contravention of the provisions of Regulation 3(3) of Notification No. FEMA 23/2000-RB.



3. Whereas Regulation 3(3) of Notification No. FEMA 23/2000-RB, as applicable during the various periods to which the transactions relate, states that '*.....in respect of export of services to which none of the Forms specified in these Regulations apply, the exporter may export such services without furnishing any declaration, but shall be liable to realise the amount of foreign exchange which becomes due or accrues on account of such export, and to repatriate the same to India in accordance with the provisions of the Act, and these Regulations, as also other rules and regulations made under the Act.*' The applicant failed to realize and repatriate the export proceeds towards export of services within the prescribed time period thereby contravening the said FEMA Regulation.

4. The applicant was given an opportunity for personal hearing vide letter No. FE. CO. CEFA/ 2099/15.20.67/2017-18 dated September 07, 2017 for further submission in person and/or producing documents, if any, in support of the application. The personal hearing took place on September 26, 2017 and Shri Mihir Tambe, Shri Abhinav Aggarwal and Shri Rajesh Chheda represented the applicant. During the personal hearing, the representatives of the applicant admitted the contraventions committed by them for which they have sought compounding and requested that a lenient and sympathetic view may be taken in the matter.

5. I have given my careful consideration to the documents on record and submission made by the applicant. Accordingly, I hold that the applicant has contravened the provisions of Regulation 3(3) of Notification No. FEMA 23/2000-RB. The amount of contravention is Rs.1,43,15,648.68/- and the duration of contravention ranges from one year two months to two years ten months approximately.

6. In terms of Section 13 of the FEMA, any person contravening any provision of the Act shall be liable to a penalty up to thrice the sum involved in such contravention upon adjudication. However, after considering the entire facts and circumstances of the case, I am persuaded to take a lenient view on



the amount for which the contravention is to be compounded and I consider that payment of an amount of Rs.1,31,891/- (Rupees one lakh thirty one thousand eight hundred ninety one only) will meet the ends of justice.

7. Accordingly, I compound the admitted contraventions namely, the contravention of Regulation 3(3) of Notification No. FEMA 23/2000-RB by the applicant on the facts discussed above in terms of the Foreign Exchange (Compounding Proceedings) Rules, 2000 on payment of an amount of Rs.1,31,891/- (Rupees one lakh thirty one thousand eight hundred ninety one only) which shall be deposited by the applicant with the Reserve Bank of India, Foreign Exchange Department, 5<sup>th</sup> Floor, Amar Building, Fort, Mumbai – 400 001 by a demand draft drawn in favour of the "Reserve Bank of India" and payable at Mumbai within a period of 15 days from the date of this order. In case of failure to deposit the compounded amount within the above mentioned period, Rule 10 of the Foreign Exchange (Compounding Proceedings) Rules, 2000 dated May 3, 2000 shall apply.

The application is disposed accordingly.

Dated this the seventeenth day of October, 2017.

**Sd/-**

**Jyoti Kumar Pandey**  
**Chief General Manager**